

operating the business of a manufacturer of processed tobacco, or upon any occurrence that results in a person acquiring ownership or control of more than ten percent in aggregate of the outstanding stock of such corporation, the manufacturer shall, within 30 days of such action, so notify the appropriate TTB officer in writing, giving the identity of such person. When there is any change in the authority furnished under § 40.494 for officers to act in behalf of the corporation, the manufacturer shall immediately so notify the appropriate TTB officer in writing.

(d) *Change in control of corporation.* When the issuance, sale, or transfer of the stock of a corporation operating as a manufacturer of processed tobacco results in a change in the identity of the principal stockholders exercising actual or legal control of the operations of the corporation, the corporate manufacturer shall, within 30 days after the change occurs, make application on TTB F 5200.3 for a new permit. Otherwise, the present permit shall be automatically terminated at the expiration of such 30-day period, and the manufacturer shall dispose of all processed tobacco on hand, make a concluding inventory and concluding report, in accordance with the provisions of §§ 40.523 and 40.522, respectively, and surrender the permit with such inventory and report. If the application for a new permit is timely made, the present permit shall continue in effect pending final action with respect to such application.

§ 40.513 Change in location or address of factory.

Whenever a manufacturer of processed tobacco intends to relocate its factory, the manufacturer shall, before commencing operations at the new location, make application on TTB F 5200.16 for, and obtain, an amended permit. Whenever any change occurs in the address, but not the location, of the factory of a manufacturer of processed tobacco as a result of action of local authorities, the manufacturer shall, within 30 days of such change, make application on TTB F 5200.16 for an amended permit.

EFFECTIVE DATE NOTE: By T.D. TTB-80, at 74 FR 37552, July 29, 2009, § 40.513 was amend-

ed in the first sentence by after the phrase “make application on TTB F 5200.16 for” adding the phrase “, and obtain,”, effective July 29, 2009 through June 22, 2012.

OPERATIONS BY MANUFACTURERS OF
PROCESSED TOBACCO

§ 40.521 Record of processed tobacco.

(a) Every manufacturer of processed tobacco and every manufacturer of tobacco products who removes processed tobacco from the factory for any purpose other than destruction must keep records of daily operations and transactions that show total quantity of processed tobacco:

- (1) On hand;
- (2) Used in the manufacture of tobacco products;
- (3) Processed;
- (4) Received, together with the name and address of the person from which it was received;
- (5) Removed from the factory for shipment to a person holding a TTB permit as a manufacturer of processed tobacco, a manufacturer of tobacco products, or an export warehouse proprietor, together with the name and address of the person to whom shipped or delivered;
- (6) Removed from the factory for shipment to a person not holding a TTB permit as a manufacturer of processed tobacco, a manufacturer of tobacco products, or an export warehouse proprietor;
- (7) Removed from the factory for export;
- (8) Removed for any purpose other than described in paragraphs (a)(5), (6), and (7) of this section;
- (9) Lost, together with the circumstances of the loss; and
- (10) Destroyed, together with the circumstances of the destruction.

(b) The records of any manufacturer of processed tobacco who removes processed tobacco from the factory for shipment to a person who does not hold a TTB permit as a manufacturer of processed tobacco, as a manufacturer of tobacco products, or as an export warehouse proprietor must include dated, commercial records that show the following information about each removal under this paragraph: